

# United States Department of the Interior

## BUREAU OF LAND MANAGEMENT FILLMORE FIELD OFFICE

35 East 500 North  
Fillmore, UT 84631  
<http://enbb.blm.interwebdesign.com>



In Reply Refer to:  
3600  
(U-010)  
UTU-079458

July 11, 2001

CERTIFIED MAIL # 7000 1530 0006 2414 7565  
RETURN RECEIPT REQUESTED

DAVID HODGSON  
SECRETARY/TREASURER  
CUSTOM MILLING & GRINDING INC  
954 E 7145 S STE B205  
MIDVALE UT 84047

**RECEIVED**

**JUL 13 2001**

**DIVISION OF  
OIL, GAS AND MINING**

Dear Mr. Hodgson:

On July 9, 2001, Sheri Wysong and I conducted an inspection at the site of your proposed negotiated mineral material sale. Gary Wardle was on site, and we discussed the proposed sale and the work that was currently being conducted under the over-the-counter permit issued to him on May 23, 2001. We informed Mr. Wardle that it would not be possible to complete processing of the large sale before the August 23, 2001 expiration date of the over-the-counter permit, and that we would only issue another permit if a reclamation bond of \$10,000 is submitted. The bond would be the amount that will be required should the large sale be approved, and, if the large sale is not approved, will be released upon reclamation of all of the disturbance created by Custom Milling and Grinding (CM&G) under all the permits it has purchased from the community pit. In lieu of the bond, a reclamation fee of \$1.00 per ton will be added to any future over-the-counter permits, with an additional \$2900 of reclamation fee being added to the next permit to recoup reclamation fees from the previous two permits for which no reclamation fee was added.

We also informed Mr Wardle that, in order to process the permit, he must mark on the ground where CM&G will place all the facilities associated with the operation, and also where the boundaries of the mine will be. Please bear in mind that

the Utah Division of Oil, Gas and Mining (UDOGM) will also require you to obtain a permit to mine from them. Should your operation create more than five acres of surface disturbance, UDOGM will require a large mine plan, which may take up to a year to process. You should consult with that agency to determine what application you need to submit to them.

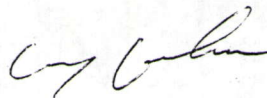
We are returning your application for a land use permit so that you may better define the area you wish to lease. The maps currently attached to the permit indicate that you require about 15 acres which, upon initial review, seems both excessive and, from what we observed on the ground, is not in the correct location that Mr. Wardle indicated some of the facilities would be placed. Also, as we indicated to Mr. Wardle on July 9, a land use permit is not necessary as long as you have an active permit to mine. However, UDOGM may not consider the ground leased as a processing facility to be under its jurisdiction, and so it may not count towards the five acres you can disturb under a small mining permit. Again, you should consult with that agency to determine what you must do to meet its requirements. UDOGM's address is:

1594 West North Temple, Suite 1210  
PO Box 145801  
Salt Lake City, UT 84114-5801

We also asked Mr. Wardle what length of time you need to extract the material, and he stated that you would need a five-year permit.

If you have any questions, please feel free to call Sheri Wysong at (435)743-3124, or me at (435)743-3126.

Sincerely,



Larry Garahana  
Geologist

Enclosures  
Land Use Permit Application

cc: D. Wayne Hedberg, UDOGM